

WHEELING & LAKE ERIE RAILWAY COMPANY

Larry R. Parsons
Chairman & CEO

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July 19, 2006

Richard F. Timmons, President
American Short Line and Regional Railroad Association
50 F Street, NW, Ste. 7020
Washington, DC 20001-1564

Dear Mr. Timmons:

The W&LE's Marketing Department has ascertained peak season demand and the Company is prepared to handle its shippers' requirements. The W&LE is not only preparing for this peak season but is addressing long term infrastructure and capacity issues by utilizing funding from a \$25 million dollar RRIF loan for infrastructure rehabilitation. The Company has purchased and is currently installing 160,000 ties and has purchased over 30 miles of heavy new and relay rail which will replace lighter jointed rail with continuous welded rail. It has also used a RRIF loan to borrow \$14 million dollars for new equipment, purchasing 150 new multi-purpose steel open top hopper cars. The infrastructure loan and the equipment loan along with our capital program should address capacity issues for the foreseeable future. The Company has communicated these infrastructure and equipment plans with its customers.

Yours truly,

A stylized, handwritten signature in black ink, appearing to be the initials 'LR' followed by a long, sweeping horizontal line.

Larry R. Parsons